

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

| | | |
|------------------------------|---|-----------------|
| THE NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF WESTERN |) | CASE NO. 8839-M |
| KENTUCKY GAS COMPANY |) | |

O R D E R

On December 1, 1983, the Commission issued its Order in Case No. 8839 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 7, 1985, Western Kentucky Gas Company ("Western") notified the Commission that it had received notice of revised rates from its suppliers, Texas Gas Transmission Corporation ("Texas Gas") and Tennessee Gas Pipeline Company ("Tennessee Gas"), and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Western's notice of March 7, 1985, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas cost from its suppliers in the amount of \$352,623 or 0.91 cents per Mcf.

(2) On February 27, 1985, Texas Gas filed revised rates with the Federal Energy Regulatory Commission ("FERC") to be effective February 1, 1985.

(3) Western's wholesale cost of gas from local producers which tracks Texas Gas' rate will be decreased effective February 1, 1985.

(4) On February 14, 1985, Tennessee Gas filed revised rates with the FERC to be effective January 1, 1985.

(5) Inasmuch as the filing of revised tariffs by Texas Gas and Tennessee Gas were too late for Western to make timely filings, Western has proposed to implement reduced rates effective April 1, 1985, and refund any excess revenues collected during the period from January 1, 1985, to April 1, 1985, to its customers.

(6) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after April 1, 1985.

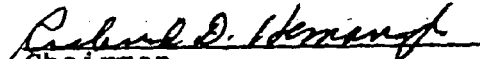
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after April 1, 1985.

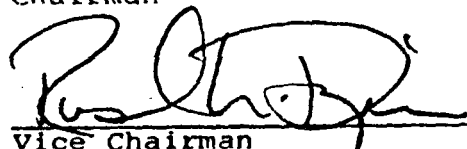
IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall report to the Commission on any excess revenues collected during the period from January 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 15th day of March, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8839-M DATED MARCH 15, 1985

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$0.0573) per Mcf of gas used during the billing period.

The base rates for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

| Texas Gas Transmission Corp. | <u>Demand</u> | <u>Commodity</u> | <u>Gas Rate</u> |
|------------------------------|---------------|------------------|-----------------|
| G-2 | \$4.90 | \$3.2069 | -0- |
| G-3 | 5.69 | 3.2527 | -0- |
| G-4 | 6.22 | 3.2877 | -0- |
| Tennessee Gas Pipeline Co. | | | |
| GS-2 | -0- | .6656/Mcf | 3.1672/Mcf |
| Local Producers | -0- | -0- | 3.2527/Mcf |